

## METROPOLITAN DEVELOPMENT COMMITTEE

DATE: September 11, 2006

CALLED TO ORDER: 5:32 p.m.

ADJOURNED: 6:00 p.m.

### ATTENDANCE

#### Attending Members

Dane Mahern, Chairman  
Rozelle Boyd  
Ron Gibson  
Scott Keller  
Becky Langsford  
Angela Mansfield  
Jackie Nytes  
Marilyn Pfisterer

#### Absent Members

Mike Speedy

### **BUDGET HEARING**

Review and Analysis

PROPOSAL NO. 436, 2006 - adopts the annual budget for Indianapolis and Marion County for 2007 (Metropolitan Development portion only)  
“Do Pass as Amended”

Vote: 8-0

## METROPOLITAN DEVELOPMENT COMMITTEE

The Metropolitan Development Committee of the City-County Council met on Monday, September 11, 2006. Chair Dane Mahern called the meeting to order at 5:32 p.m. with the following members present: Rozelle Boyd, Ron Gibson, Scott Keller, Becky Langsford, Angela Mansfield, Jackie Nytes, and Marilyn Pfisterer. Absent was Mike Speedy.

### Review and Analysis

PROPOSAL NO. 436, 2006 - adopts the annual budget for Indianapolis and Marion County for 2007 (Metropolitan Development portion only)

Maury Plambeck, Director of the Department of Metropolitan Development (DMD), said they provided all budget information during the budget meetings; however, the Office of Finance and Management has some amendments.

Robert Clifford, City Controller, said that changes have been made to the initial DMD budget (Exhibit A, on file in the Council office). He said the amounts in the left column are the items that are being changed and the highlighted amounts in the right column are the revised amounts.

Jeff Seidenstein, Budget Manager, said the changes in each fund are to add three percent (3%) into the Character 01 portions of the budget to accommodate pay raise for the non-union employees. He said there are no salaries in the city cumulative fund; therefore, there are no changes. He went on to state that clarifications were made in the redevelopment general fund to explain the original negative \$500 in miscellaneous interest and the transfer to the Indianapolis Housing Agency.

Councillor Nytes asked why the transfer is done in a revenue statement, rather than an appropriation. Mr. Seidenstein said it is simply a pass through of revenue back to the Housing Agency. Mr. Clifford said it is done this way, because it is revenue the city is not entitled to record as revenue. He said when the city sends it back, it offsets the revenue that was received.

Mr. Seidenstein said a clarification has been made to state that a transfer of \$100,000 will be made from redevelopment general fund to revenue bonds. Galen Himmelheber, DMD Finance, said this is the Martindale-Brightwood Tax Increment Financing (TIF) that can only be used to repay DMD section 108 for the Keystone Enterprise project. He said this is a way to put more grant funds onto the street.

Mr. Seidenstein said in the redevelopment fund, some of the line items in the sixteen line statement have been adjusted to show the corrected revenues for the second half of this year. He said there is a slight increase to the budget due to the changes.

Mr. Clifford explained the change in the tax rate. He said they are trying to make sure the city does not lose any of their tax levy. Mr. Clifford said the following changes are in the state's tax structure: the city will no longer tax inventory, which has a 5.5 % county-wide affect on assess evaluations; there is a one time \$10,000 homestead exemption; and in 2007 the assessors are responsible for trending properties. He said within the budget they have made a conservative guess that the city may lose up to 15% of assessed evaluations in 2007. Mr. Clifford said the affect of these changes will have an impact on the tax rate of 0.0015.

Bart Brown, Chief Financial Officer for the Council, said the assessments will not be completed before the passage of the budget. He said the Council needs to be aware that the state is addressing non-compliant counties.

Mr. Seidenstein said similar adjustments to the tax rate of the Redevelopment Sinking Fund have been made. He said an additional amendment is needed because the revenues of the Redevelopment Sinking Fund do not match the revenue shown on the sixteen line statement. He said the correct amount for total revenues in 2007 is \$10,221,189 (on page three of Exhibit A).

Councillor Nytes moved, seconded by Councillor Mansfield, to amend the amendment to Proposal No. 436, 2006 to reflect the revised total revenue in the Redevelopment Sinking Fund. The motion carried by a vote of 8-0.

Mr. Seidenstein said they are no longer going to show a break down for each individual division within the department. He said full time equivalents (FTE) will now be shown at the department level for a total of 242.45.

Councillor Gibson asked if DMD agrees with the reflection of employees under the department rather than division. Mr. Plambeck said DMD has no problems with the changes made to the layout of FTE.

Councillor Pfisterer asked if the FTEs have changed. Mr. Plambeck replied in the negative.

Councillor Gibson moved, seconded by Councillor Nytes to amend Proposal No. 436, 2006 per Exhibit A. The motion carried by a vote of 8-0.

Additional business to the committee:

Councillor Mansfield asked some questions regarding compliance and what the penalty is for contractors that are not compliant with the law. Rick Powers, Administrator of the Division of Compliance, said the contractor who is doing the work should obtain a permit, and if work is being done without a permit, DMD will process the work as a violation, which includes a fee(s). He said if the problem continues, DMD would request the courts to get involved.

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Councillor Pfisterer paid a tribute to those whose lives were lost September 11, 2001.

CONCLUSION

With no further business pending, and upon motion duly made, the Metropolitan Development Committee of the City-County Council was adjourned at 6:00 p.m.

Respectfully submitted,

Dane Mahern, Chair  
Metropolitan Development Committee

DM/as



